

# Creditors Ask Receiver for I. R. T. System

(Continued from page one)

Shoe and Foundry Company filed a creditor's bill in the United States Court for the Southern District of New York on its own behalf and on behalf of all creditors of the Interborough Rapid Transit Company, who may join in the suit, asking that a receiver be appointed in order that all creditors may be treated alike and that there may be no multiplicity of actions brought by creditors and note holders in different courts. The Interborough company has appeared in the suit, but it has not yet filed its answer or consented to the appointment of a receiver. It has twenty days in which to answer, and during that time it is hoped that all of its notes maturing September 1 next will have been extended for a year, and with further indulgence of its general creditors a receivership may be averted.

"If, however, it shall become necessary ultimately to have a receiver, the filing of this petition confers jurisdiction upon the court which is now administering the affairs of several other traction companies. It is believed that the court will be of advantage to all interests involved."

"The filing of this bill does not change the situation as to the extension of the three-year notes."

**\$38,144,400 Due September 1**  
The Interborough notes which Mr. Bradley refers to in his statement as maturing on September 1 amount to \$38,144,400.

The suit was filed by George M. Judd, 30 Church Street, attorney for the plaintiff, upon the court which is now administering the affairs of several other traction companies. It is believed that the court will be of advantage to all interests involved.

"The filing of this bill does not change the situation as to the extension of the three-year notes."

**Relief Sought of Miller**  
The Interborough management early this month confessed its inability to meet the \$38,144,400 of 7 per cent notes falling due on September 1 and obtained permission from the Transit Commission to seek an extension from the holders for one year. It is understood that most of the large holders of these notes, which were issued in 1914 to meet the company's contractual obligations to New York City, have agreed to an extension. The original issue was \$39,416,000, but in the last three years \$1,271,000 has been retired through sinking fund purchases.

In the letter issued to the noteholders on August 8, the Interborough said it could not meet the maturity because it had not been able to market its first and refunding mortgage 5 per cent gold bonds, by which the notes were secured. The noteholders were asked to agree to an extension and were offered an interest rate of 8 per cent, payable semi-annually on the extended notes.

he statement to the noteholders, outlining the position of the company in this connection, said:

"The company has every reason to hope that the new Transit Commission, appointed by Governor Miller under the law enacted by the New York Legislature last winter, will succeed as directed by the statute in working out some comprehensive plan which will provide a return upon the city's investment in rapid transit lines and otherwise relieve the present impossible conditions in the transit situation in New York City."

"The Transit Commission is now engaged in the valuation of the system and is making the investigations required by the new law, but it is understood that the data necessary to the formulation of the plan will not be available until after September 1, 1921."

"This company believes that any such plan will make provision for the protection of the investment represented by the above notes, inasmuch as they were issued with the express approval of the public authorities and their proceeds were expended and are being spent under the direction of such authorities in the equipment of the rapid transit lines."

**Plan for Securities Sales**  
"It is expected also that such a plan will permit this company to make the necessary sales of long term securities to enable it to pay off its notes and obtain further funds for the improvement and extension of New York's rapid transit facilities."

Referring to the strategic position of the bonds and notes of the company, the letter to noteholders said: "The notes and bonds are in a strong position to price favorable treatment in the new plan because the company is entitled under its contracts with the city to deduct from the subway earnings prior to any return to the city upon its investment in the new Interborough subways (which now approximate \$90,000,000), a sum which will be sufficient to pay the present fixed charges upon all of its outstanding notes and bonds. It is also entitled to receive out of the operation of the elevated railroads all fixed charges and in addition the sum of \$1,589,000 annually before the city is entitled to any participation in the profits of those lines."

As to the operating position of the Interborough the noteholders were given the following information:

**Reduction in Expenses**  
"The company has completed a readjustment of its wage rates, effective July 24, 1921, by which its employees, to help avoid a receivership, have agreed to accept a reduction of 10 per cent, thus effecting a saving at the rate of \$2,600,000 a year."

"Reductions in the price of coal and supplies, together with operating economies due to mechanical improvements devised by the management, will effect a further annual saving of at least \$1,500,000, or an aggregate reduction in expenses at the rate of over \$4,000,000 per annum for the present fiscal year ending June 30, 1922."

"The total of these expected economies very closely approximates the \$4,464,000 by which the company failed to meet fixed charges for the fiscal year ended June 30, 1921, during which period, however, the peak of extraordinary costs was passed."

"It is reasonable to expect that with these economies or over \$4,000,000 the company will be able to pay fixed charges, including interest on the 8 per cent bonds and these notes, and also to provide for current expenses."

"Thus with the notes extended and the continued indulgence of its general creditors, the company should be able to maintain, and probably gradually improve, its present position until the Transit Commission shall have had an opportunity for action in the premises."

"Therefore, it is unquestionably to the interests of the holders of the 7 per cent notes to preserve the existing status, rather than precipitate a receivership when the company is apparently on the eve of a recovery of its credit."

The Interborough, on June 30, had an issue of \$2,030,000 7 per cent secured notes fall due, which was extended by the bankers to the end of the current year. These notes, amounting originally to \$2,000,000, were sold at the close of 1919 to meet year-end obligations of the company and were twice extended previously to June last.

**O'Malley Says He Will Not Resign Post**  
(Continued from page one)

became so persistent and annoying in his visits to the public markets department that I was compelled to order him away."

"I have no intention of resigning. I am going to stay on the job and fight, and continue my fight against the backers of the food trust, who are trying to oust me. I am waiting for the opportunity to go on the stand and tell my story."

"I anticipated this attack by the Meyer Committee, and had been informed long ago that unless I discontinued my efforts to control food concerns in this city I would be forced out of office. The accusations made against me are inspired by monopolistic food organizations, and the Meyer Committee in bringing these accusations before the public was also acting in the interests of the food trust."

The Commissioner went on to say that if the Meyer committee would not give him a chance to go on the stand and face his accusers, he would seek other means of presenting his side of the case to the public. Ever since he has sought to curtail the price-fixing activities of the chicken trust and to compel milk products organizations to maintain a standard he said he had received threats that he would "be framed."

**Meyer Arraigns Hyman**  
Senator Schuyler M. Meyer, chairman of the legislative committee, issued a statement yesterday in which he said that the Mayor's refusal to remove the Markets Commissioner, as requested by the committee's chief counsel "must infallibly place the Mayor in the position of endorsing Mr. O'Malley's conduct of the department."

Commissioner Hirschfeld made public testimony of Raymond Smith, of 557 West 125th Street, who he examined yesterday in connection with his own investigation of the department of markets. Smith says he was a former examiner for the United States Federal Trade Commission and an agent of the American Livestock Association. Smith in this testimony attacks the standstillers in the public markets as "dummies of the Chicago packers," and says that the "attack" on Commissioner O'Malley is the result of the Commissioner's efforts to correct certain evils prevalent in the public markets of the city.

He goes on to say that the packers control the stalls and are backing them financially, and that the difficulties of Commissioner O'Malley grew out of the latter's efforts to control profiteering in the markets. Smith characterized Hyman as a "dummy" and appointed special counsel for the committee, as the head of the legal talent retained by the Chicago packers for the protection of their interests and the interests of the stall holders.

In conclusion Smith asserts that the standstillers in the public markets were organized for the purpose of destroying the Department of Public Markets, and that their efforts in that direction were inspired and financed by the Chicago packing concerns.

Schuyler Meyer's statement reads: "Mayor Hyman's refusal to remove Edwin J. O'Malley, Commissioner of Markets, as requested by Elton B. Brown, chief counsel of the joint legislative committee, must infallibly place the Mayor in the position of endorsing Mr. O'Malley's conduct of the department. It is for the Mayor to decide whether such a policy can be in the best interest of the public."

"The evidence presented before this committee during the last week showed that the Mayor should have known a year ago that there were discrepancies in the sales of army foodstuffs, conducted by the Markets Department, of disbursements for pay rolls on account of these sales. There was a balance unaccounted for of \$33,237.35 out of a total assigned for this purpose of \$141,102.59. This fact was stated in a report of the Commissioner of Accounts bearing date September 30, 1920, which was duly forwarded to the Mayor and withheld by him from publication until it was presented in evidence before this committee."

"Another report of the Commissioner of Accounts, bearing date of January 22, 1921, and suppressed by the Mayor up to the time it was obtained by the committee, purports to include an investigation of the circumstances surrounding the alleged attempt by General Inspector Winter, of the Department of Markets, to write a bribe of \$1,000 from Mrs. Bertha L. Katenkamp, a widow with four children."

"A plain case of whitewashing than is contained in this report it would be difficult to imagine. No real attempt was made by the Commissioner of Accounts to investigate the Katenkamp case."

"An examination of the report by the most experienced clerk should have shown that the investigation was utterly superficial. The Mayor should have returned it to Commissioner Hirschfeld with the demand that he make a searching investigation."

"It must now be obvious to every one what the real reason was for the bitter opposition to preliminary hearings before sub-committees."

"This committee's investigation of market conditions will continue next week."

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**Removal Sales**  
The coming week must see the exodus of many Remaining Fashions, regardless of the price they will bring—

The following are examples of the wonderful values to be had at this time—

**Beautiful Evening Gowns at \$125—\$145—\$175**  
Formerly \$250 to \$450—Handsome sequined effects, embroidered and beaded chiffons and rich styles of satin and lace, including several imported models, suitable for evening wear at the resorts as well as for the opening of the theatre and various social activities in town.

**Dance Frocks and Evening Gowns at \$50—\$75**  
Formerly to \$195—Youthful styles in taffeta, chiffon, satin and lace.

**Afternoon and Evening Wraps at 1/2**  
Formerly \$125 to \$375—Many fur-trimmed styles in dark shades of satin, Canton crepe and other silk fabrics fashionable for Autumn wear.

**Luxurious Fur-Trimmed Evening Wraps at 1/2**  
Formerly \$350 to \$2500—Of rich chiffon velvets and metallic brocades with trimmings of fox, mole, beaver, monkey fur, ermine and chinchilla, suitable for the opening of the social season.

**Day Coats and Wraps at \$75 to \$195**  
Formerly \$145 to \$350—A final regrouping of remaining styles in velour, duvetyn, satin, Canton crepe and novelty materials, including several styles appropriate for early Autumn wear in fur-trimmed effects.

**Tailored and Costume Suits at \$65—\$85**  
Formerly \$150 to \$350—These shades mostly navy and black, tricotine, piquette and twill, including handsomely embroidered and elaborately braided effects—two and three piece styles suitable for Autumn wear.

**Street and Sport Suits at \$35—\$45**  
Formerly to \$145—Attractive styles for town and country wear, high colors and street shades, also smart combination effects—grouped for final selling.

**New Autumn Hats at \$15—\$18—\$25**  
In velvet, crepe satin and duvetyn, designed in our own workrooms from reserve materials, embracing models which would usually sell at from \$30 to \$40.

**Remaining Sport Apparel**  
Embraces many things particularly suitable to finish out the present season, as well as for wear during the coming week-end holiday.

**Sport and Beach Wraps at \$38**  
Formerly to \$150—An odd group of miscellaneous styles.

**Sport Coats at \$15—\$25**  
Formerly to \$95—The last of many higher cost styles.

**Separate Skirts at \$5—\$8.75**  
Formerly to \$39—Entire remaining selections of cloth and silk materials.

**Blouses at \$5—\$7.50—\$9.50**  
Formerly to \$25—Handmade lace trimmed effects and tailored models in crepe de chine.

**Silk Sweaters at \$25**  
Formerly to \$45—Tuxedo effects in navy and black.

**Wool Sweaters at \$5—\$10**  
Formerly to \$20—Slip-over and coat styles in bright colors.

**Wonderful Fur Coats, Wraps and Neckpieces**  
The desire to clear our wardrobes before going to our new building prompts us to make unusual sacrifices, of which the following are examples:

**Coats and Wraps**

\$5500 Choice Broadtail Wrap.....\$2850  
(Dyed Hudson Bay Sable Collar)

\$2500 Choice Dark Mink Wrap.....\$1800

\$2500 Genuine Kolinsky Cape.....\$1250

\$1500 Abala Seal Wrap.....\$875

\$1250 Hudson Seal Wrap.....\$350  
(Kolinsky Collar)

\$650 Hudson Seal Coat.....\$350

\$650 Hudson Seal Coatee.....\$375

\$550 French Seal Coat.....\$225

\$650 Taupe Caracul Coatee.....\$325

\$350 Nutria and Hudson Seal Coatee.....\$150

\$200 Nutria Coatee.....\$35  
(Ermine Collar)

**Scarfs**

Choice Dark Eaum Marten Scarfs at \$53—\$65 to \$85  
Formerly \$75 to \$125

\$395 Silver Fox Scarfs.....\$250

\$595 Silver Fox Scarfs.....\$295

\$450 Silver Fox Scarfs.....\$275

\$600 Choice Russian Sable Scarf.....\$395  
(Double Skin Effect)

\$450 Blended Russian Sable Scarf.....\$250

\$195 Choice Cross Fox Scarf.....\$95

\$150 Nat'l Hudson Bay Sable Scarfs.....\$75

\$125 Nat'l Hudson Bay Sable Scarfs.....\$65

\$195 Blended Russian Sable Scarfs.....\$125

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**Children's Shoes**  
Tan or black leather. 8 to 10 1/2. B to E. 7.25 11 to 2. A to E. 8.25

**Children's Oxfords**  
Tan leather—  
8 to 10 1/2. B to E. 6.00  
11 to 2. A to E. 7.00  
Black leather—  
8 to 10 1/2. B to E. 6.00  
11 to 2. A to E. 7.00

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